IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH.

I.T.A. No.55 of 2006
Date of decision: 11.12. 2006

M/s Nahar Spinning Mills Limited, Ludhiana.

-----Appellant

Vs.

The Commissioner of Income Tax (Central), Ludhiana.

-----Respondent

CORAM:- HON'BLE MR JUSTICE ADARSH KUMAR GOEL
HON'BLE MR JUSTICE RAJESH BINDAL

Present: Mr. Sanjay Bansal, Advocate
for the appellant.

Mr. S.K. Garg Narwana, Advocate
for the respondent.

ORDER:

This appeal has been preferred by the assessee against the order dated 30.08.2005 of Income Tax Appellate Tribunal, Chandigarh Bench-A, Chandigarh (for short, "the Tribunal") passed in Cross Objection No.1/Chandi/2002 arising out of I.T.A. No.750/Chandi/2002 in respect of the assessment year 1999-2000 proposing following substantial questions of law:-

"(i) Whether on a correct and proper interpretation of the provisions of Section 80-IA of the Act and application thereof to the facts and circumstances of the case, was the Tribunal legally correct in holding that the claim of deduction U/s 80IA in respect of Interest Income derived from its business, made by the appellant was not sustainable?

(ii) Whether on the facts and in the circumstances of the case, the Tribunal has misdirected itself in law and as well as on facts in holding that the appellant was not entitled to deduction u/s 80-IA of the Act claimed by the assessee?

(iii) Whether the finding returned and recorded by the Tribunal while holding that appellant was not entitled to deduction u/s 80-IA by wrongly applying the earlier decision given in C.O. No. 130/CHD/1993 for Asstt. Year 1990-91 which was in respect of deduction Under Section 80-I of the Act is perverse?

The assessee claimed deduction under Section 80-IA of the Income Tax Act, 1961 (for short, "the Act") in respect of income of interest from investment in business, which was disallowed upto the Tribunal, following the view taken in the case of the assessee itself for the assessment year 1990-91.

Learned counsel for the revenue points out that this Court has also taken same view in the case of the assessee for the assessment year 1998-99, following the judgment of Hon'ble the Supreme Court in ***Commissioner of Income Tax v. Sterling Foods*** [1999] 237 ITR 579 (SC) and Madras High Court in ***M/s Fenner (India) Limited*** **v.** ***Commissioner of Income Tax*** [1999] 151 CTR (Madras) 30.

This could not be disputed by the learned counsel for the assessee.

In view of above, we are unable to hold that any substantial question of law arises for consideration.

The appeal is dismissed.

(ADARSH KUMAR GOEL)
JUDGE

December 11, 2006
ashwani

(RAJESH BINDAL)
JUDGE

In view of order passed today in I.T.A. NO.55 of 2006, ***M/s Nahar Spinning Mills Ltd., Ludhiana*** v. ***Commissioner of Income Tax (Central), Ludhiana*** in respect of the assessment year 1999-2000, this appeal is also dismissed.